of all other attempts for the rehabilitation of the units, recourse is also taken to legal action by enforcing the security for the collection of dues.

World Bank suggestions on bank advances to primary sector

*412. SHRI KAMAL MORARKA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have given assurance to the World Bank in the course of recent discussions to the effect that the interest rates on priority sector advances would be raised;

(b) if so, what are the details thereof;

(c) whether it is also a fact that the World Bank had also suggested that the quantum of bank loans under the priority sector programme should be cut;

(d) if so, what is Government's reaction thereto; and

(e) what are the details of other suggestions made by the World Bank alongwith Government's reaction thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) No, Sir.

(b) Does not arise.

(c) A World Bank report dated 20th June, 1990 on the Financial Sector of India had analysed the performance of the Indian banking system. The recommendations of the report include inter-alia reduction in priority sector directed lending.

(d) The Government is engaged in wideranging financial sector reform based on the recommendations of the Narasimham Committee. The government has not reacted to the World Banks report

(e) These relate to measures for improving the efficiency and health of the banking system which include greater availability of credit for the commercial sector, reform of the capital market, recapitalisation of banks and financial institutions and progressive adoption of norms on capital adequacy requirements. All these issues have been under considerations in the Government in any case and are being examined in the light of the recommendations of the Narasimham Committee Report.

Financial growth due to liberalisation

*413. SHRI VITHALRAO MADHAVRAO JADHAV:
SHRI RADHAKISHAN MALAVIYA:

Will the Minister of FINANCE be pleased to state:

(a) what is the net gain in financial growth of the country due to the policy of liberalisation adopted by Government during the last one year;

(b) what is the number of multinationals that came to India with rare items;

(c) what would be the earnings of foreign exchange due to such activities of multinationals; and

(d) what is the extent to which the country has benefited from such a policy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) The objective of the policies of stabilization and structural reforms introduced by the Government since July 1991 was, in the first instance, to deal with the serious crisis facing the economy at that time, reflected in the high rate of inflation and the near default on foreign payments and in the second instance, to create conditions under which such crises would not arise and rapid sustainable growth of employment and production could be generated. Financial reforms constitute an important element of structural reforms. However, at this early stage it is not possible to assess their impact.

(b) It is not possible to collect information on what rare items have been imported or produced by the multinationals. However, the total number of approvals for foreign collaboration given

by the Government was 666 in 1990, 950 in 1991 and 1242 in 1992 (up to October).

(c) Foreign exchange is earned through the exports of goods as well as services and from transfers and remittances; it is not possible to isolate the contribution of multinationals to these earnings in various forms. However, 289 proposals for foreign investment by multinationals, other foreign investors and Non-Resident Indians were approved in 1991, and 538 in 1992 (up to October); the amount of foreign equity participation involved was Rs. 530 crore in 1991 and Rs. 3260 crore in 1992 (up to October).

(d) The benefits of the new policies introduced by the Government are manifesto in the decline in the rate of inflation which, from a peak of 16.7 per cent in August 1991 was down to 8.7 per cent as on 5 December 1992, and in the improvement in the balance of payments reflected in the rise in foreign exchange reserves from US $1.1 billion in August 1991 to US $5.2 billion as on 6 December 1992. Industrial production, which was declining last year, has gone up by 2.1 per cent during April-July 1992; and exports, which declined last year, have gone up by about 6.1 per cent in dollar terms in April-October 1992. The benefits of these policies need to be judged in broader terms than in the effect they have on multinationals.

Excise duty structure on cigarettes

*414. SHRI J. S. RAJU: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the report in the 'Nav Bharat Times' of the 13th July, 1992 alleging huge loss of central excise revenue in respect of cigarettes due to the present pattern of specific rate of duty as against ad-valorem duty which has resulted in huge relief to cigarette industry by way of sizeable reduction in the incidence of duty without the approval of the Parliament in respect of cigarettes of premium category;

(b) whether it is a fact that as a result of the change over, to the specific rate of central excise duty, while the sales of cigarettes have fallen there has been a steep increase in profits over the last four years; and

(c) if so, what are the details of the steps taken or being taken by Govt. by this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) to (c) Government's attention has been drawn to the report in 'Nav Bharat Times' of the 13th July, 1992. It is not however, a fact that either total volume of clearance of cigarettes or central excise revenue has fallen as a result of the present system of levy. Specific duty based on the length of the cigarettes was introduced in the annual budget for 1987-88 and duly approved by Parliament. Subsequent changes in the rates were also effected through the Budget. No relief as such has been given to the cigarette industry. The rates, in general, have in fact gone up. The industry is free to change their product-mix as also to alter the length of cigarettes including that of the premium brands. As for the profits of the industry, they are not directly relatable to central excise duties.

हिमाचल प्रदेश में पर्यटन-स्थलों के लिए राज-सहायता प्राप्त उड़ानें

415. **श्री महेश्वर सिंह :** क्या नागर विमानन और पर्यटन मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि पर्यटन को बढ़ावा देने की दृष्टि से पूर्वोत्तर राज्यों के लिये वायुदूत की कुछ राज सहायता प्राप्त उड़ानें चलायी जा रही हैं ;

(ख) यदि हां, तो हिमाचल प्रदेश राज्य, जो कि पर्यटन की दृष्टि से अत्यन्त रमणीय है, के लिये राज-सहायता प्राप्त ऐसी उड़ानें न चलाये जाने के क्या कारण हैं ; और